

APPROVAL OF CONSENT AGENDA

**TOWN OF DAVIE
TOWN COUNCIL AGENDA REPORT**

TO: Mayor and Councilmembers

FROM/PHONE: Will Allen, Redevelopment Administrator/ 954-797-2093

PREPARED BY: Will Allen

SUBJECT: Resolution

AFFECTED DISTRICT: Districts 1 and 2

ITEM REQUEST: **Schedule for Council Meeting**

TITLE OF AGENDA ITEM: BOND ISSUANCE - A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF DAVIE AUTHORIZING THE ISSUANCE BY THE TOWN OF DAVIE COMMUNITY REDEVELOPMENT AGENCY OF COMMUNITY REDEVELOPMENT BONDS NOT EXCEEDING \$20,000,000, PROVIDING FOR A LOAN AGREEMENT SETTING FORTH THE DETAILS OF SAID BONDS; AUTHORIZING THE PROPER OFFICERS TO EXECUTE DOCUMENTS; AUTHORIZING THE VALIDATION OF THE BONDS; AND PROVIDING FOR AN EFFECTIVE DATE.

REPORT IN BRIEF: The CRA Board approved the issuance of bonds not to exceed \$20,000,000 at the December 1, 2008 CRA meeting. The Strand vs. Escambia County case was settled at the Florida Supreme Court as the case was not reheard after the Supreme Court decided an election is not necessary to sell bonds. This resolution basically approves the concept of the bonds to be issued by the CRA. It also authorizes the validation process to be done through the Broward County Circuit Court. The CRA will resubmit the bond documents to Town Council for approval subsequent to the validation approval and selection of the purchaser of the bonds.

These bonds will be issued in \$10,000,000 increments. Some of the bonds will be tax exempt bonds used for the purpose of installing infrastructure improvements and some of the bonds will be taxable which are to be used for purchase of property. The types of improvements for infrastructure improvements will be drainage, road, water and sewer improvements within the CRA area some of which engineering is already underway. There will also be funds to purchase property as it becomes desirable for the CRA to purchase such as the Town Hall property. A listing of the types of projects proposed to be bonded for is attached. The details of the Bonds and the other provisions of the financing will be set forth in the loan agreement which is attached as Exhibit "A" of the Resolution based on the projects which will be enumerated later. The Town Council

authorizes the pledge of tax increment revenues in order to secure the payment of the Bonds. The Resolution also authorizes the CRA to commence validation proceedings per the advice of the CRA Attorney. After the validation process is approved, the CRA can begin to negotiate with banks to sell the bonds.

CONCURRENCES: The CRA Board authorized the issuance of \$20,000,000 in bonds at their meeting of December 1, 2008.

FISCAL IMPACT: not applicable

Has request been budgeted? n/a

Additional Comments: The CRA Board will repay the bonds using tax increment funds on an annual basis based on the amount of bonds which are issued.

RECOMMENDATION(S): Motion To Approve the Resolution.

Attachment(s): Resolution Including Loan Agreement
CRA Resolution Approving the Bond Issue
List of Representative Projects

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF DAVIE AUTHORIZING THE ISSUANCE BY THE TOWN OF DAVIE COMMUNITY REDEVELOPMENT AGENCY OF COMMUNITY REDEVELOPMENT BONDS NOT EXCEEDING \$20,000,000, PROVIDING FOR A LOAN AGREEMENT SETTING FORTH THE DETAILS OF SAID BONDS; AUTHORIZING THE PROPER OFFICERS TO EXECUTE DOCUMENTS; AUTHORIZING THE VALIDATION OF THE BONDS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Davie Community Redevelopment Agency (the “DCRA”) is a legally separate agency from the Town of Davie (the “Town”) established by Ordinance No. 88-23 adopted by the Town Council on May 5, 1988, as ratified and reaffirmed by Ordinance No. 89-51 adopted by the Town Council on December 20, 1989 (collectively, the “DCRA Enabling Ordinance”), pursuant to authority granted by the Board of County Commissioners of Broward County, Florida by Resolution No. 88-1105 adopted on march 29, 1988; and

WHEREAS, the DCRA desires to make various infrastructure improvements, including drainage, road and water and sewer improvements (the “Infrastructure Project”) and acquire land for redevelopment purposes (the “Land Acquisition Project” and, together with the Infrastrucutre Project, the “Project”) as further described in the redevelopment plan of the DCRA; and

WHEREAS, the redevelopment trust fund established for the DCRA expires in 2027; and

WHEREAS, the DCRA has heretofore authorized by resolution adopted on December 1, 2008 (the “DCRA Loan Resolution”) the issuance of a not exceeding

\$20,000,000 Community Redevelopment Bonds (the “Bonds”) for the purpose of financing the Project and paying costs of issuance of the Bonds; and

WHEREAS, the DCRA has determined in the DCRA Loan Resolution that the Bonds be secured by a pledge of the tax increment revenues of the DCRA; and

WHEREAS, the DCRA has determined in the DCRA Loan Resolution that it intends to enter into one or more loan agreements (collectively, the “Loan Agreement”), the form of which is attached as Exhibit “A” to this Resolution, with a purchaser of the Bonds to be selected by subsequent resolution of the DCRA (the “Purchaser”); and

WHEREAS, the DCRA has determined in the DCRA Loan Resolution that by subsequent resolution the DCRA shall determine the method of sale of the Bonds, award the Bonds, determine the details of the Bonds and the Loan Agreement, and approve the forms of such other agreements as the DCRA may deem necessary in connection with the sale and issuance of the Bonds; and

WHEREAS, pursuant to Part III of Chapter 163, Florida Statutes, as amended, and the DCRA Enabling Ordinance, the Town Council is required to approve the issuance of bonds by the DCRA;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, AS FOLLOWS:

Section 1. In accordance with the provisions of the Part III of Chapter 163, Florida Statutes, as amended, and the DCRA Enabling Ordinance, there is hereby authorized to be issued Community Redevelopment Bonds of the DCRA, in an aggregate principal amount not to exceed \$20,000,000, for the purpose of financing costs of the Project, and paying costs of issuance of the Bonds. The Bonds shall be designated “Town of Davie Community Redevelopment Agency

Community Redelopment Bonds”. The Bonds may be issued in one or more series and as tax-exempt and/or taxable bonds. By subsequent resolution the DCRA shall determine, and the Town Council shall approve, the method of sale of the Bonds, and shall award the Bonds, determine the details of the Bonds and the Loan Agreement, and approve the forms as such other agreements as the DCRA may deem necessary in connection with the sale and issuance of the Bonds. The details of the Bonds and the other provisions of the financing shall be set forth in the Loan Agreement with the Purchaser, which shall be in substantially the form attached as Exhibit “A” to this Resolution.

Section 2. The Redevelopment Administrator of the DCRA is hereby authorized to negotiate with banks or other financial institutions for the purchase of the Bonds and with respect to the Bonds, the Chair of the DCRA (the “Chair”) is hereby authorized to execute the Bonds, the Loan Agreement and related documents, and to do all other things necessary to accomplish the issuance and sale of the Bonds. The Secretary of the DCRA, is hereby authorized to attest the Chair’s signature. The Chair, the Secretary of the DCRA, and the Redevelopment Administrator are each hereby authorized to execute such documents as are necessary to accomplish the issuance and sale of the Bonds.

Section 3. The Town Council hereby authorizes that the Loan Agreement set forth a pledge of the tax increment revenues of the DCRA in order to secure the payment of the Bonds.

Section 4. The officers, agents and employees of the DCRA are hereby authorized to commence validation proceedings with respect to the Bonds in the Circuit

Court for the 17th Judicial Circuit, in and for Broward County, Florida, upon the advice of Bond Counsel and the DCRA Attorney.

Section 5. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED THIS ____ DAY OF _____, 2009

MAYOR/COUNCILMEMBER

ATTEST:

TOWN CLERK

APPROVED THIS ____ DAY OF _____, 2009

LOAN AGREEMENT

This LOAN AGREEMENT (this "Agreement") is made and entered into as of _____, and is by and between the Town of Davie Community Redevelopment Agency, a public body corporate and politic of the State of Florida, and its successors and assigns (the "DCRA"), and _____, and its successors and assigns as holder of the hereinafter defined Bonds (the "Purchaser");

WHEREAS, the Town of Davie Community Redevelopment Agency (the "DCRA") is a legally separate agency from the Town of Davie (the "Town") established by Ordinance No. 88-23 adopted by the Town Council on May 5, 1988, as ratified and reaffirmed by Ordinance No. 89-51 adopted by the Town Council on December 20, 1989 (collectively, the "DCRA Enabling Ordinance"), pursuant to authority granted by the Board of County Commissioners of Broward County, Florida by Resolution No. 88-1105 adopted on March 29, 1988; and

WHEREAS, the DCRA desires to make various infrastructure improvements, including drainage, road and water and sewer improvements (the "Infrastructure Project") and acquire land for redevelopment purposes (the "Land Acquisition Project" and, together with the Infrastructure Project, the "Project") as further described in the redevelopment plan of the DCRA; and

WHEREAS, the redevelopment trust fund established for the DCRA expires in 2027; and

WHEREAS, the DCRA accepted the proposal of the Purchaser to provide financing for the Project;

WHEREAS, the DCRA Board at its May 21, 2007 meeting approved a resolution (the "DCRA Loan Resolution") authorizing the Chair to execute a loan agreement with the Purchaser to finance the Project;

WHEREAS, the DCRA hereby determines that it is desirable and in the best interest of the DCRA to enter into this Agreement whereby the DCRA will borrow funds (the "Loan") from the Purchaser to be used for the Project; and

WHEREAS, the obligation of the DCRA to repay such Loan shall be evidenced by the delivery of Community Redevelopment Bonds (the "Bonds") to the Purchaser in the principal amount of the Loan; and

WHEREAS, the Bonds shall be issued pursuant to the terms and provisions of the DCRA Loan Resolution and this Agreement; and

WHEREAS, the execution and delivery of this Agreement have been duly authorized by the DCRA Resolution.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, DO HEREBY AGREE as follows:

DEFINITION OF TERMS

Section 1.1 Definitions. The words and terms used in this Agreement shall have the meanings as set forth in the DCRA Loan Resolution and in the recitals above,

unless otherwise defined herein. Unless the context shall otherwise require, the following words and terms as used in this Agreement shall have the following meanings:

“Act” means Part III of Chapter 163, Florida Statutes, as amended, the DCRA Enabling Ordinance, the DCRA Loan Resolution and other applicable provisions of law.

“Administrator” means the Redevelopment Administrator of the DCRA.

“Agreement” means this Loan Agreement and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

“Annual Debt Service Requirement” means for a given Fiscal Year the amount required to pay the principal and interest coming due on the Bonds during that Fiscal Year.

“Bonds” means the DCRA’s Community Redevelopment Bonds, Series _____, authorized to be issued hereunder in an aggregate principal amount of [\$20,000,000].

“Bonds Counsel” means counsel experienced in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on obligations of states and their political subdivisions.

“Bond Payment Date” means each _____, commencing _____.

“Business Day” means any day which is not a Saturday, Sunday or day on which banking institutions in Fort Lauderdale, Florida are authorized to be closed.

“Chair” means the Chair of the DCRA.

“Code” means the Internal Revenue Code of 1986, as amended, including the applicable regulations of the Department of the Treasury (including applicable final regulations, temporary regulations and proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

“Dated Date” means the date of issuance of the Bonds.

“Event of Default” shall mean an event of default specified in Article VIII of this Agreement.

“Fiscal Year” means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other consecutive 12-month period as may be hereafter designated as the fiscal year of the DCRA, as applicable, pursuant to general law.

“Governing Body” means the DCRA Board, or its successor in function.

“Holder” or “Bondholder” means the registered owner (or its authorized representatives) of the Bonds from time to time, initially the Purchaser.

“Loan” means the outstanding principal amount of the Bonds issued hereunder.

“Loan Documents” means this Agreement, the Bonds, the DCRA Loan Resolution and all other documents, agreements, certificates, schedules, notes, statements, and opinions, however described, referenced herein or executed or delivered pursuant hereto or in connection with or arising with the Loan or the transaction contemplated by this Agreement.

“Person” means natural persons, firms, trusts, estates, associations, corporations, partnerships and public bodies.

“Secretary” means the Town Clerk of the Town.

“State” means the State of Florida.

“Supplemental Resolution” means any Resolution of the DCRA amending or supplementing the Resolution in accordance with the terms and provisions thereof.

“TIF Revenues” means all tax increment revenues, including revenues deposited into a redevelopment trust fund pursuant to Section 163.387, Florida Statutes.

Section 1.2 Interpretation. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

Section 1.3 Titles and Headings. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II

REPRESENTATIONS OF DCRA

The DCRA represents and warrants to the Purchaser that:

Section 2.1 Powers of DCRA. The DCRA is a public body corporate and politic duly organized and validly existing under the laws of the State. Subject to Section 3.6 hereof, the DCRA has the power to issue the amount provided for in this Agreement, to execute and deliver the Loan Documents, to secure the Bonds in the manner contemplated hereby, and to perform and observe all the terms and conditions of the Bonds and this Agreement on its part to be performed and observed. Subject to Section 3.6 hereof, the DCRA may lawfully issue the Bonds in order to obtain funds to finance the Project.

Section 2.2 Authorization of Loan. The DCRA has, had or will have, as the case may be, full legal right, power, and authority to adopt the DCRA Loan Resolution and to execute and deliver this Agreement, to issue the Bonds, and to carry out and consummate all other transactions contemplated hereby and by the Loan Documents, and the DCRA has complied and will comply with all provisions of applicable law in all material matters relating to such transactions. The DCRA, by the DCRA Loan Resolution, has duly authorized the borrowing of the amount provided for in this Agreement, the execution and delivery of this Agreement, and the issuance of the Bonds, and to that end the DCRA warrants that it will take all action and will do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Bonds. The DCRA has duly adopted the DCRA Loan Resolution and authorized the execution, delivery, and

performance of this Agreement and the issuance of the Bonds and the taking of any and all other such action as may be required on the part of the DCRA to carry out, give effect to and consummate the transactions contemplated by the Loan Documents. The Bonds has been duly authorized, executed, issued and delivered to the Purchaser and constitutes a legal, valid and binding obligation of the DCRA enforceable in accordance with its terms and the terms of the DCRA Loan Resolution, and is entitled to the benefits and security of the DCRA Loan Resolution and this Agreement. All approvals, consents, and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Bonds or the execution and delivery of or the performance by the DCRA of its obligations under the Loan Documents have been obtained or made and any consents, approvals, and orders to be received or filings so made are in full force and effect.

Section 2.3 Agreements. The making and performing by the DCRA of this Agreement will not violate any provision of the Act, or any ordinance or resolution of the DCRA, or any regulation, order or decree of any court, and will not result in a breach of any of the terms of any agreement or instrument to which the DCRA is a party or by which the DCRA is bound. The Loan Documents constitute legal, valid and binding obligations of the DCRA enforceable in accordance with their respective terms.

Section 2.4 Litigation, Etc. There are no actions or proceedings pending against the DCRA or affecting the DCRA or, to the knowledge of the DCRA, threatened, which, either in any case or in the aggregate, might result in any material adverse change in the financial condition of the DCRA, or which question the validity of this Agreement, the issuance of the Bonds or any of the other Loan Documents or of any action taken or to be taken in connection with the transactions contemplated hereby or thereby. The DCRA is not in default in any material respect under any agreement or other instrument to which it is a party or by which it may be bound.

Section 2.5 Financial Information. The financial information regarding the DCRA furnished to the Purchaser by the DCRA in connection with the Loan is complete and accurate, and there has been no material and adverse change in the financial condition of the DCRA from that presented in such information.

ARTICLE III

COVENANTS OF THE DCRA

Section 3.1 Affirmative Covenants. The DCRA covenants, for so long as any of the principal amount of or interest on the Bonds is outstanding and unpaid or any duty or obligation of the DCRA hereunder or under any of the other Loan Documents remains unpaid or unperformed, as follows:

(a) **Use of Proceeds.** The DCRA covenants that the proceeds from the Bonds will be used only to finance the Project and to pay closing costs. The DCRA represents that, as of the date of issuance of the Bonds, there are no other bonds or obligations of the DCRA secured by the TIF Revenues.

(b) **Notice of Defaults.** The DCRA shall within ten (10) days after it acquires knowledge thereof, notify the Purchaser in writing upon the happening, occurrence, or existence of any Event of Default, and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Purchaser with such written notice, a detailed statement by a responsible officer of the DCRA of all relevant facts and the action being taken or proposed to be taken by the DCRA with respect thereto.

(c) **Records.** To the extent permitted by law, the DCRA agrees that any and all records of the DCRA shall be open to inspection by the Purchaser or its representatives at all reasonable times at the offices of the DCRA.

(d) **Maintain Existence.** The DCRA shall do all things lawfully within its power to maintain its existence as a community redevelopment agency, and shall not voluntarily dissolve.

(e) **Notice of Liabilities.** The DCRA shall promptly inform the Purchaser of any actual or potential contingent liabilities or pending or threatened litigation, of an amount in excess of \$100,000 which is not covered by insurance, that could reasonably be expected to have a material and adverse effect upon the financial condition of the DCRA.

(f) **Insurance.** To the extent available at commercially reasonable rates, the DCRA shall maintain such liability, casualty and other insurance as is reasonable and prudent for similarly situated community redevelopment agencies of the State and shall upon the request of the Purchaser, provide evidence of such coverage to the Purchaser.

(g) **Comply with Laws.** The DCRA is in compliance with and shall comply with all applicable federal, state and local laws and regulatory requirements.

(h) **Taxes.** In the event the Bonds, this Agreement or any other Loan Document should be subject to the excise tax on documents, or any similar tax, of the State of Florida, the DCRA shall pay such taxes or reimburse the Purchaser for any such taxes paid by it.

(i) **Investments.** The DCRA shall invest only in obligations permitted by Section 218.415(17), Florida Statutes.

Section 3.2 Purchaser Fees and Expenses. The DCRA hereby agrees to pay the fees and expenses of counsel to the Purchaser in connection with the issuance of the Bonds in the amount of \$_____, plus reasonable out of pocket expenses, said amounts to be due and payable upon the issuance of the Bonds.

Section 3.3 Registration and Exchange of Bonds; Persons Treated as Owners. So long as the Bonds shall remain unpaid, the DCRA will keep books for the registration and transfer of the Bonds. The Bonds shall be transferable only upon such registration books. The DCRA will transfer the registration of a Bond upon written

request of the Purchaser specifying the name, address and taxpayer identification number of the transferee.

The Person in whose name the Bonds shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal and interest on the Bonds shall be made only to or upon the written order of such Person. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Bonds to the extent of the sum or sums so paid.

Section 3.4 Payment of Principal and Interest. The DCRA promises that it will promptly pay the principal of and interest on the Bonds at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and thereof, provided that the principal of and interest on the Bonds is payable solely from and secured solely by the TIF Revenues as provided in Section 3.5 hereof, and nothing in the Bonds or in the DCRA Resolution shall be construed as pledging any funds or assets of the DCRA to such payment or authorizing such payment to be made from any other source. The Bonds shall not be or constitute a general obligation or indebtedness of the DCRA within the meaning of the Constitution of Florida, but shall be payable solely from and secured in the manner and to the extent provided in Section 3.5. No Holder shall ever have the right to compel the exercise of the ad valorem taxing power of the Town or any other taxing authority or taxation in any form on any real or personal property to pay such Bonds or the interest thereon, nor shall any Holder be entitled to payment of such principal and interest from any funds of the DCRA other than the TIF Revenues, all in the manner and to the extent herein provided.

Section 3.5 Pledge of Revenues.

(a) The DCRA hereby pledges, assigns and grants a security interest to the Bondholders in the TIF Revenues in order to secure the principal of and interest on the Bonds, on a parity with the security interest granted to the holder of any parity obligation permitted to be issued under this Agreement. The DCRA represents and warrants to the Bondholders that there are no other obligations of the DCRA currently outstanding secured by the TIF Revenues.

(b) The DCRA will not issue any additional obligations secured by the TIF Revenues, unless (i) the ratio of the amount of TIF Revenues collected during the most recent fiscal year of the DCRA for which audited financial statements are available divided by the Maximum Annual Debt Service on all Debt Obligations secured by the TIF Revenues and on the Debt Obligations proposed to be issued, is at least equal to _____, (ii) no Event of Default exists hereunder and (iii) the other covenants of the DCRA contained herein will continue to be met.

(c) As used in this Agreement, (i) the term "Maximum Annual Debt Service" means the maximum amount of principal and interest required in the then current or any future fiscal year to pay all Debt Obligations; and (ii) the term "Debt Obligations" means debt service on debt obligations of the DCRA, including the Bonds, which are secured by or payable from the TIF Revenues.

(d) Calculations of TIF Revenues will be based on information derived from the most recently audited fiscal year end financial statements. For purposes of calculating Maximum Annual Debt Service, the interest rate to be assumed for

indebtedness bearing interest at a variable rate shall be equal the higher of six percent (6%) per annum or the actual rate of interest paid by the DCRA with respect to such indebtedness during the month preceding the date of calculation, and such indebtedness shall be assumed to be fully funded.

Section 3.6 Prepayment. The DCRA shall be entitled to prepay the Bonds prior to maturity in whole or in part at any time at a price of par plus accrued interest to the date of prepayment, upon written notice to the Holders given by the DCRA at least five (5) days prior to the date fixed for prepayment.

Section 3.7 Business Days. In any case where the due date of interest on or principal of the Bonds is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Purchaser.

Section 3.8 Officers and Employees of the DCRA Exempt from Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Agreement or the Bonds or for any claim based thereon or otherwise in respect thereof, shall be had against any Commissioner of the DCRA or the Town, or any officer, agent or employee, as such, of the DCRA or the Town past, present or future, it being expressly understood (a) that the obligation of the DCRA under this Agreement and the Bonds is solely a corporate one, (b) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the DCRA Commission or the Town Council, or the officers, agents, or employees, as such, of the DCRA or the Town, or any of them, under or by reason of the obligations, covenants or agreements contained in this Loan Agreement or implied therefrom, and (c) that any and all such personal liability of, and any and all such rights and claims against, every such Commissioner of the DCRA or the Town, and every officer, agent, or employee, as such, of the DCRA or the Town under or by reason of the obligations, covenants or agreements contained in this Loan Agreement, or implied therefrom, are waived and released as a condition of, and as a consideration for, the execution of this Loan Agreement and the issuance of the Bonds on the part of the DCRA.

Section 3.9 Bonds Mutilated, Destroyed, Stolen or Lost. In case the Bonds shall become mutilated, or be destroyed, stolen or lost, the DCRA shall issue and deliver a new Bonds of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Bonds, or in lieu of and in substitution for the Bonds destroyed, stolen or lost and upon the Holder furnishing the DCRA proof of ownership thereof and indemnity reasonably satisfactory to the DCRA and complying with such other reasonable regulations and conditions as the DCRA may prescribe and paying such expenses as the DCRA may incur. The Bonds so surrendered shall be canceled.

Section 3.10 [IF APPLICABLE: Section 265 Designation of Bonds. The reasonably anticipated amount of tax-exempt obligations (other than obligations described in clause (ii) of Section 265(b)(3)(C) of the Code) which have been or will be issued by the DCRA and the Town during 2007 does not exceed \$10,000,000. There are

no entities which are subordinate to or which issue obligations on behalf of the DCRA or on behalf of the Town (other than the DCRA). The DCRA hereby designates the Bonds as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3)(B)(i) of the Code. The DCRA hereby covenants and agrees not to take any action or to fail to take any action if such action or failure would cause the Bonds to no longer be a “qualified tax-exempt obligation.”]

Section 3.11 [IF APPLICABLE: Tax Representations, Warranties and Covenants of the DCRA. Notwithstanding anything herein to the contrary, the DCRA hereby covenants and represents that it has taken and caused to be taken and shall make and take and cause to be made and taken all actions that may be required of it for the interest on the Bonds to be and remain excluded from the gross income of the Holder for federal income tax purposes, and that to the best of its knowledge it has not taken or permitted to be taken on its behalf, and covenants that to the best of its ability and within its control, it shall not make or take, or permit to be made or taken on its behalf, any action which, if made or taken, would adversely affect such exclusion under the provisions of the Code.

The DCRA acknowledges that the continued exclusion of interest on the Bonds from gross income for federal income tax purposes depends, in part, upon compliance with the arbitrage limitations imposed by Sections 103(b)(2) and 148 of the Code. The DCRA hereby acknowledges responsibility to take all reasonable actions necessary to comply with these requirements. The DCRA hereby agrees and covenants that it shall not permit at any time or times any of the proceeds of the Bonds or other funds of the DCRA to be intentionally used, directly or indirectly, to acquire or to replace funds which were used directly or indirectly to acquire any higher yielding investments (as defined in Section 148 of the Code), the acquisition of which would cause the Bonds to be an arbitrage bond for purposes of Sections 103(b)(2) and 148 of the Code. The DCRA further agrees and covenants that it shall do and perform all acts and things necessary in order to assure that the requirements of Sections 103(b)(2) and 148 of the Code are met.

Specifically, without intending to limit in any way the generality of the foregoing, the DCRA covenants and agrees:

(a) to pay to the United States of America at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all non-purpose investments (as defined in Section 148(f)(6) of the Code) (other than investments attributed to an excess described in this sentence) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess (the “Rebate Amount”);

(b) to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code; and

(c) to comply with all representations and restrictions contained in any Tax Certificate executed by the DCRA in connection with the Bonds.

The DCRA understands that the foregoing covenants impose continuing obligations on it to comply with the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of the Code so long as such requirements are applicable.]

Section 3.12 IF APPLICABLE: Additional Tax Covenants of the DCRA.
For so long as the Bonds remains outstanding, the DCRA hereby covenants as follows:

(a) It will comply with, and timely make or cause to be made all filings required by, all effective rules, rulings or regulations promulgated by the Department of the Treasury or the Internal Revenue Service;

(b) It will not use, invest, direct or permit the investment of the proceeds of the Bonds or any investment earnings thereon in a manner that will result in such Bonds becoming a “private activity bond” within the meaning of Sections 141 and 145 of the Code;

(c) It will not use or permit to be used more than ten percent (10%) of the proceeds of the Bonds (including any amounts used to pay costs associated with issuing such Bonds), including all investment income earned on such proceeds directly or indirectly, in any trade or business carried on by any person who is not the DCRA or a state or political subdivision or instrumentality thereof as those terms are used in Section 103 of the Code (an “Exempt Person”);

(d) It will not use or permit the use of any portion of the proceeds of the Bonds, including all investment income earned on such proceeds, directly or indirectly, to make or finance loans to persons who are not Exempt Persons;

(e) It has not entered into, and will not enter into, any arrangement with any person or organization (other than an Exempt Person) which provides for such person or organization to manage, operate, or provide services with respect to more than 10% of the property financed with the proceeds of the Bonds (a “Service Contract”), unless the guidelines set forth in Revenue Procedure 97-13 (or the guidelines set forth in Revenue Procedure 93-19, to the extent applicable, or any new, revised or additional guidelines applicable to Service Contracts) (the “Guidelines”), are satisfied, except to the extent it obtains a private letter ruling from the Internal Revenue Service or an opinion of nationally recognized Bonds Counsel which allows for a variation from the Guidelines;

(f) It will not cause the Bonds to be treated as “federally guaranteed” for purposes of Section 149 of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to “federally guaranteed” obligations described in Section 149 of the Code. For purposes of this paragraph, the Bonds shall be treated as “federally guaranteed” if (i) all or any portion of the principal or interest is or will be guaranteed directly or indirectly by the United States of America or any agency or instrumentality thereof, or (ii) 5% or more of the proceeds of the Bonds will be (A) used in making loans the payment of principal or interest with respect to which is to be guaranteed in whole or in part by the United States of America or any agency or instrumentality thereof, or (B) invested directly or indirectly

in federally insured deposits or accounts, and (iii) such issuance is not described in Section 149(b)(3) of the Code; and

(g) It will comply with the information reporting requirements of Section 149(e)(2) of the Code.

The terms “debt service,” “gross proceeds,” “net proceeds,” “proceeds,” and “yield” have the meanings assigned to them for purposes of Section 148 of the Code.]

ARTICLE IV

CONDITIONS OF LENDING

Section 4.1 Conditions of Lending. The obligations of the Purchaser to lend hereunder are subject to the following conditions precedent:

(a) **Representations and Warranties.** The representations and warranties set forth in the Loan Documents are and shall be true and correct to the best of the DCRA’s knowledge on and as of the date hereof.

(b) **No Default.** On the date hereof the DCRA shall be in compliance with all the terms and provisions set forth in the Loan Documents on its part to be observed or performed, and no Event of Default nor any event that, upon notice or lapse of time or both, would constitute such an Event of Default, shall have occurred and be continuing at such time.

(c) **Supporting Documents.** On or prior to the date hereof, the Purchaser shall have received the following supporting documents, all of which shall be satisfactory in form and substance to the Purchaser (such satisfaction to be evidenced by the purchase of the Bonds by the Purchaser):

(i) The opinion of the DCRA Attorney regarding the due authorization, execution, delivery, validity and enforceability of this Agreement and the Bonds, the DCRA’s power to incur the debt evidenced by the Bonds and the due adoption of the Ordinance and the DCRA Loan Resolution;

(ii) **IF APPLICABLE:** The opinion of Bonds Counsel to the effect that, (A) the interest on the Bonds is excluded from gross income for federal income tax purposes, (B) the Bonds is not an item of tax preference under Section 57 of the Code, (C) the Bonds is a qualified tax-exempt obligation under Section 265(b)(3) of the Code and (D) the Bonds and the income thereon is exempt from the State excise tax on documents;] and

(iii) Such additional supporting documents as the Purchaser may reasonably request.

ARTICLE V

THE LOAN; DCRA’S OBLIGATIONS; DESCRIPTION AND PAYMENT

TERMS

Section 5.1 The Loan. The Purchaser hereby agrees to loan to the DCRA the amount of [\$20,000,000] to be evidenced by the Bonds, to provide funds to finance the Project and to pay closing costs upon the terms and conditions set forth in the DCRA Loan Resolution and this Agreement. The DCRA agrees to repay the principal amount borrowed plus interest thereon, upon the terms and conditions set forth in the Loan Documents.

Section 5.2 Description and Payment Terms of the Bonds. To evidence the Loan, the DCRA shall issue and deliver to the Purchaser the Bonds in the form attached hereto as Exhibit "A".

ARTICLE VI

CREATION AND USE OF FUNDS AND ACCOUNTS

Section 6.1 Bonds Fund. There is hereby created a fund, entitled "Town of Davie Community Redevelopment Agency Community Redevelopment Bonds, Series ____ Bonds Fund" (the "Bonds Fund"). There shall be deposited into the Bonds Fund on each Bonds Payment Date sufficient amounts of TIF Revenues as specified in Section 3.5 hereof which, together with the amounts already on deposit therein, will enable the DCRA to pay the principal of and interest on the Bonds on each Bonds Payment Date. Moneys in the Bonds Fund shall be applied on each Bonds Payment Date to the payment of principal of and interest on the Bonds coming due on each such date.

Section 6.2 Funds. Each of the funds and accounts herein established and created shall constitute trust funds for the purposes provided herein for such funds and accounts respectively. The money in such funds and accounts shall be continuously secured in the same manner as deposits of DCRA funds are authorized to be secured by the laws of the State of Florida.

The designation and establishment of the funds and accounts in and by this Agreement shall not be construed to require the establishment of any completely independent, self-balancing funds, as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the DCRA for the purposes herein provided and to establish certain priorities for application of such revenues and assets.

Section 6.3 [IF APPLICABLE: Rebate Fund and Rebate Covenants. There is hereby created and established a fund to be held by the DCRA, designated the "Town of Davie Community Redevelopment Agency Community Redevelopment Bonds, Series ____ Rebate Fund" (the "Rebate Fund"). The Rebate Fund shall be held by the DCRA separate and apart from all other funds and accounts held by the DCRA under this Agreement and from all other moneys of the DCRA.

Notwithstanding anything in this Agreement to the contrary, the DCRA shall transfer to the Rebate Fund the amounts required to be transferred in order to comply with the Tax Certificate or the Rebate Covenants, if any, attached as an Exhibit to the Tax Certificate

to be delivered by the DCRA on the date of delivery of the Bonds (the “Rebate Covenants”), when such amounts are so required to be transferred. The Administrator shall make or cause to be made payments from the Rebate Fund of amounts required to be deposited therein to the United States of America in the amounts and at the times required by the Rebate Covenants. The DCRA covenant for the benefit of the Holder that it will comply with the Rebate Covenants. The Rebate Fund, together with all moneys and securities from time to time held therein and all investment earnings derived therefrom, shall be excluded from the pledge and lien of this Agreement. The DCRA shall not be required to comply with the requirements of this Section 6.3 in the event that the DCRA obtains an opinion of nationally recognized bond counsel that (i) such compliance is not required in order to maintain the federal income tax exemption of interest on the Bonds and/or (ii) compliance with some other requirement is necessary to maintain the federal income tax exemption of interest on the Bonds.]

ARTICLE VII

SPECIAL COVENANTS

Section 7.1 Financial Statements. The DCRA shall, upon receipt, or within one hundred eighty (180) days of its Fiscal Year end, whichever is sooner, provide the Holder with a printed copy of its annual audited financial statement and the Town of Davie’s Comprehensive Annual Financial Report, its current year operating budget and its capital improvement plan. The DCRA shall also provide to the Holder any other financial information reasonably requested by such Holder.

ARTICLE X

EVENTS OF DEFAULT

Section 8.1 General. An “Event of Default” shall be deemed to have occurred under this Agreement if:

(a) The DCRA shall fail to make any payment of the principal of or interest on the Bonds after the same shall become due and payable, whether by maturity, by acceleration at the discretion of the Purchaser as provided for in Section 8.2, or otherwise; or

(b) The DCRA shall default in the performance of or compliance with any term or covenant contained in the Loan Documents, other than a term or covenant a default in the performance of which or noncompliance with which is dealt with in Section 8.1(a) or (c) through (h) hereof, which default or non-compliance shall continue and not be cured within thirty (30) days after (i) notice thereof to the DCRA by the Purchaser; or (ii) the Purchaser is notified of such noncompliance or should have been so notified pursuant to the provisions of Sections 3.1(b) of this Agreement, whichever is earlier; provided that such default shall not be an Event of Default if the DCRA within such 30 day period commences and carries out with due diligence to completion (although not necessarily within such thirty (30) day period) such action as is necessary to cure the same; or

(c) Any representation or warranty made in writing by or on behalf of the DCRA in any Loan Document shall prove to have been false or incorrect in any material respect on the date made or reaffirmed; or

(d) The DCRA admits in writing its inability to pay its debts generally as they become due or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself; or

(e) The DCRA is adjudged insolvent by a court of competent jurisdiction, or it is adjudged a bankrupt on a petition in bankruptcy filed by or against the DCRA, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the DCRA, a receiver or trustee of the DCRA or of the whole or any part of its property, and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof; or

(f) The DCRA shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or the State of Florida; or

(g) The DCRA shall default in the due and punctual payment or performance of covenants under any obligation for the payment of money to the Purchaser or any other subsidiary or affiliate of the Purchaser; or

(h) A judgment or order shall be rendered against the DCRA for the payment of money in excess of \$100,000 which is not covered by insurance and such judgment or order shall continue unsatisfied or unstayed for a period of more than 30 days.

Section 8.2 Effect of Event of Default. Except as otherwise provided in the Bonds, immediately and without notice, upon the occurrence of any Event of Default, the Purchaser may declare all obligations of the DCRA under the Loan Documents to be immediately due and payable without further action of any kind and upon such declaration the Bonds and the interest accrued thereon shall become immediately due and payable. In addition, and regardless whether such declaration is or is not made, the Purchaser may also seek enforcement of and exercise all remedies available to it under this Agreement, the DCRA Loan Resolution, the Act and any other applicable law.

Should the DCRA default in any obligation created by this Agreement or the Bonds, the Purchaser may, in addition to any other remedies set forth in this Agreement or the Bonds, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted or contained in this Agreement, and may enforce and compel the performance of all duties required by this Agreement or by any applicable statutes to be performed by the DCRA or by any officer thereof.

ARTICLE IX

MISCELLANEOUS

Section 9.1 No Waiver; Cumulative Remedies. No failure or delay on the part of the Purchaser in exercising any right, power, remedy hereunder, or under the Bonds or other Loan Documents shall operate as a waiver of the Purchaser's rights, powers and remedies hereunder, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy hereunder or thereunder. The remedies herein and therein provided are cumulative and not exclusive of any remedies provided by law or in equity.

Section 9.2 Amendments, Changes or Modifications to the Agreement. This Agreement shall not be amended, changed or modified except by written instrument between the Purchaser and the DCRA. The DCRA agrees to pay all of the Purchaser's costs and reasonable attorneys' fees incurred in modifying and/or amending this Agreement at the DCRA's request or behest.

Section 9.3 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 9.4 Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any other provisions or sections hereof, and this Agreement shall be construed and enforced to the end that the transactions contemplated hereby be effected and the obligations contemplated hereby be enforced, as if such illegal or invalid clause, provision or section had not been contained herein.

Section 9.5 Term of Agreement. Except as otherwise specified in this Agreement, this Agreement and all representations, warranties, covenants and agreements contained herein or made in writing by the DCRA in connection herewith shall be in full force and effect from the date hereof and shall continue in effect until as long as the Bonds is outstanding.

Section 9.6 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, electronic telephone line facsimile transmission or other similar electronic or digital transmission method (provided customary evidence of receipt is obtained); the day after it is sent, if sent by overnight common carrier service; and five days after it is sent, if mailed, certified mail, return receipt requested, postage prepaid. In each case notice shall be sent to:

If to the DCRA: Redevelopment Administrator

Town of Davie Community Redevelopment Agency
3921 SW 47 Ave., #1008
Davie, Florida 33314

Fax Number: _____

If to the Purchaser: [Name of Purchaser]

[address]

Fax Number: _____

or to such other address as either party may have specified in writing to the other using the procedures specified above in this Section 9.6.

Section 9.7 Applicable Law. This Agreement, and each of the Loan Documents and transactions contemplated herein, shall be construed pursuant to and governed by the substantive laws of the State. This agreement shall have been deemed to have been executed within the State of Florida. Any claim, objection or dispute arising out of this Agreement shall be litigated in the Seventeenth Judicial Circuit in and form Broward County, Florida.

Section 9.8 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the successors in interest and permitted assigns of the parties. The DCRA shall have no rights to assign any of their rights or obligations hereunder without the prior written consent of the Purchaser.

Section 9.9 Conflict. In the event any conflict arises between the terms of this Agreement and the terms of any other Loan Document, the terms of this Agreement shall govern in all instances of such conflict.

Section 9.10 No Third Party Beneficiaries. It is the intent and agreement of the parties hereto that this Agreement is solely for the benefit of the parties hereto and no person not a party hereto shall have any rights or privileges hereunder.

Section 9.11 Entire Agreement. Except as otherwise expressly provided, this Agreement and the other Loan Documents embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

Section 9.12 Further Assurances. The parties to this Agreement will execute and deliver, or cause to be executed and delivered, such additional or further documents, agreements or instruments and shall cooperate with one another in all respects for the purpose of carrying out the transactions contemplated by this Agreement.

Section 9.13 Waiver of Jury Trial. THE DCRA AND THE PURCHASER IRREVOCABLY AND VOLUNTARILY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY CONTROVERSY OR CLAIM BETWEEN THEM, WHETHER ARISING IN CONTRACT, TORT OR BY STATUTE, THAT ARISES OUT OF OR RELATES TO THIS AGREEMENT, THE BONDS OR THE DCRA LOAN RESOLUTION. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE DCRA AND THE PURCHASER TO ENTER INTO THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective between them as of the date of first set forth above.

TOWN OF DAVIE COMMUNITY
REDEVELOPMENT AGENCY

[SEAL] By: _____
Chairperson

ATTEST:

By: _____
Secretary

[PURCHASER]

By: _____
Title:

EXHIBIT A

No. R- 1

[\$20,000,000]

UNITED STATES OF AMERICA
STATE OF FLORIDA

TOWN OF DAVIE COMMUNITY REDEVELOPMENT AGENCY
COMMUNITY REDEVELOPMENT BOND, SERIES ____

KNOW ALL MEN BY THESE PRESENTS that the Town of Davie Community Redevelopment Agency (the "DCRA"), a public body corporate and politic of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of Purchaser, or registered assigns (hereinafter, the "Purchaser" or the "Holder"), the principal sum of [\$20,000,000], together with interest on the principal balance outstanding at the rate of ____% per annum (subject to adjustment as hereinafter provided), based upon a 360-day year consisting of twelve 30-day months. Principal of and interest on this Bond are payable in lawful money of the United States of America at such place as the Purchaser may designate to the DCRA.

[IF APPLICABLE: For purposes of this Bond, the following definitions shall apply:

- (1) "Code" means the Internal Revenue Code of 1986, as amended;
- (2) "Cost of Funds" means 100 multiplied by a fraction, the numerator of which is equal to the total interest expense of Purchaser for its immediately preceding tax year and the denominator of which is equal to the average total assets of Purchaser for such tax year, but not to exceed the cost of Fed Funds.

- (3) “Fully Taxable Equivalent” means the rate of interest on the Bonds multiplied by _____, expressed as a number and not as a percentage.
- (4) “Maximum Corporate Tax Rate” means the maximum Federal income tax rate applicable to corporations, presently 35%.
- (5) “Preference Reduction Rate” means the percentage reduction to be applied to the amount allowable as a deduction under Chapter I of the Code with respect to any financial institution preference item (as such term is defined in Section 291(e) of the Code), presently 20%. If this Bond is not or ceases to be a “qualified tax-exempt obligation” as defined in Section 265(b) of the Code, the Preference Reduction Rate shall be deemed to increase from twenty percent (20%) to one hundred percent (100%).
- (6) “TEFRA Adjustment” means an adjustment equal to the product of the Cost of Funds multiplied by the applicable Maximum Corporate Tax Rate multiplied by the applicable Preference Reduction Rate.

If for any reason the interest on this Bond becomes includable in the gross income of the holder of this Bond for Federal income tax purposes (an “Event of Taxability”), this Bond shall bear interest from the earliest effective date of such Event of Taxability at a rate per annum equal to the interest rate otherwise borne by this Bond multiplied by _____. In addition to the foregoing, the DCRA shall pay any additions to tax, penalties and interest, and any arrears in interest imposed upon the holder of this Bond on account of an Event of Taxability. All such additional interest, additions to tax and penalties shall be paid on the next succeeding Payment Date following the date the holder was advised of such Event of Taxability.

No Event of Taxability shall be deemed to occur unless the DCRA has been given timely written notice of such occurrence by the Holder of this Bond and, to the extent permitted by law, an opportunity to participate in and seek, at the DCRA’s own expense, a final administrative determination by the Internal Revenue Service or determination by a court of competent jurisdiction (from which no further right of appeal exists) as to the occurrence of such Event of Taxability; provided that the DCRA, at its own expense, delivers to the holder of this Bond an opinion of bond counsel acceptable to such holder to the effect that such appeal or action for judicial or administrative review is not without merit and there is a reasonable possibility that the judgment, order, ruling or decision from which such appeal or action for judicial or administrative review is taken will be reversed, vacated or otherwise set aside.

The interest rate borne by this Bond shall also be adjusted automatically as of the effective date of any change in the Maximum Corporate Tax Rate or in the Preference Reduction Rate, to the product obtained by multiplying the rate of interest on the Bonds by a fraction, the numerator of which is equal to the sum of (i) the product of the Fully Taxable Equivalent times 1 minus the Maximum Corporate Tax Rate in effect as of the date of adjustment, plus (ii) the TEFRA Adjustment in effect as of the date of adjustment, and the denominator of which is equal to the sum of (i) the product of the Fully Taxable Equivalent times 0.65, plus (ii) the TEFRA Adjustment in effect on the date of closing of the Bonds.

A certificate of the Holder as to any such additional amount or amounts, in the absence of manifest error, shall be final and conclusive. In determining such amount, the Holder may use any reasonable averaging and attribution methods.]

The principal on this Bond shall be due and payable on _____ of each year (each, a "Bond Payment Date"), beginning _____, through and including _____ (the "Maturity Date"), in the amounts set forth on the payment schedule attached hereto.

Interest on this Bond shall be due and payable on each Bonds Payment Date beginning on _____ until the Maturity Date. The entire unpaid principal balance, together with all accrued and unpaid interest hereon, shall be due and payable in full on the Maturity Date. All payments by the DCRA pursuant to this Bond shall apply first to accrued interest, then to other charges due the Purchaser, and the balance thereof shall apply to the principal sum due.

The principal of and interest on this Bond may be prepaid at the option of the DCRA in whole or in part at any time at a price of par plus accrued interest to the date of prepayment, upon written notice to the Purchaser given by the DCRA at least five (5) days prior to the date fixed for prepayment.

Partial prepayments shall be applied to Bonds Payment Dates in the inverse order of their maturity and shall not lower the amounts, or postpone the due dates, of any installments of principal and interest due hereunder.

Interest at the lesser of 12% per annum or the maximum lawful rate per annum shall be payable on the entire principal balance owing hereunder from and after the occurrence of and during the continuation of an Event of Default under the Loan Agreement, irrespective of a declaration of maturity.

The DCRA to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

This Bond is issued pursuant to a Resolution duly adopted by the Board of the DCRA on May 21, 2007, as from time to time amended and supplemented (herein referred to as the "DCRA Loan Resolution") and a Loan Agreement, dated of even date herewith, between the DCRA and the Purchaser (the "Loan Agreement") and is subject to all the terms and conditions of the Loan Agreement. All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Bond. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

In the Loan Agreement, the DCRA has pledged, assigned and granted a security interest to the Bondholders in the TIF Revenues (as defined in the Loan Agreement) to secure the principal of and interest on the Bonds.

Reference is hereby made to the Loan Agreement for the provisions, among others, relating to the terms, lien and security of the Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the Holder of the Bonds, and the extent of and limitations on the DCRA's rights, duties and obligations, to all of which provisions the Holder hereof for himself and his successors in interest assents by acceptance of this Bond.

THIS BOND SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE DCRA OR THE TOWN OF DAVIE OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY THE

HOLDER OF THIS BOND THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT, DIRECTLY OR INDIRECTLY, TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE TOWN OF DAVIE OR ANY OTHER POLITICAL SUBDIVISION OR TAXING AUTHORITY OF THE STATE OF FLORIDA OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS BOND OR FOR THE PAYMENT OF ANY OTHER AMOUNTS PROVIDED FOR IN THE LOAN AGREEMENT.

It is further agreed between the DCRA and the Holder of this Bond that neither the members of the Governing Body of the DCRA nor any person executing the Bonds shall be liable personally on the Bonds by reason of its issuance.

This Bond may be exchanged or transferred by the Purchaser hereof but only upon the registration books maintained by the DCRA and in the manner provided in the Loan Agreement.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Bond is in full compliance with and does not exceed or violate any constitutional or statutory limitation. IN WITNESS WHEREOF, the Town of Davie Community Redevelopment Agency has caused this Bond to be executed in its name by the manual signature of its Chairperson, and attested by the manual signature of its Secretary and its corporate seal or a facsimile thereof affixed hereto, all as of this ____ day of ____, 20__.

TOWN OF DAVIE COMMUNITY
REDEVELOPMENT AGENCY

By: _____
Title: Chairperson

[SEAL]

ATTEST:
By: _____
Secretary

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond in the books kept by the DCRA for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Bond in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Bonds, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under
Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Payment: _____

Date: _____

Assignee: _____

By: _____

Title: _____

PAYMENT SCHEDULE

LIST OF POTENTIAL EXAMPLES OF BONDABLE PROJECTS

TAX EXEMPT BONDS (INFRASTRUCTURE IMPROVEMENTS)

PHASE II EASTSIDE INFRASTRUCTURE IMPROVEMENTS

PHASE III EASTSIDE INFRASTRUCTURE IMPROVEMENTS

BERGERON ROAD AND ACCESS INCLUDING BURIAL OF
UTILITIES

DRAINAGE PLAN IMPROVEMENTS FOR WEST OF DAVIE ROAD

WATER LINES TO REPLACE 2" LINES ON THE EAST SIDE OF
DAVIE ROAD

TAXABLE BONDS (LAND ACQUISITION)

PURCHASE OF TOWN HALL

VARIOUS PROPERTIES ALONG OR NEAR DAVIE ROAD

VARIOUS PROPERTIES WITHIN THE CRA REDEVELOPMENT
AREA

PURCHASE OF SITE(S) FOR AFFORDABLE HOUSING

THIS LIST IS AN EXAMPLE OF PROJECTS THE CRA MAY BE INVOLVED IN. THE LIST CAN CHANGE BASED ON THE CIRCUMSTANCES.